

EMPLOYEE REMUNERATION POLICY

FIDELIDADE GROUP IN PORTUGAL

Identification of Responsibilities

Preparation: People and Organisation Department (“DPE”) with the support of the structural bodies that integrate the Directorate General for Corporate Affairs (“DGAC”)

Revision: DPE with the support of the structural bodies that integrate the DGAC, and the Risk Management Department (“DGR”)

Approval: Executive Committee (“CE”)

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Approval

Meeting of the Executive Committee: 31/10/2023

Version history

Version	Date	Summary of changes
1.0	20/12/2022	First version
2.0	31/10/2023	Second version

Summary of revisions of chapters/annexes of the latest version

Revised chapter/annex	Summary of changes
Note 1 of the subchapter 3.3.1.	Added reference to "Fidelidade Assistência – Companhia de Seguros, S.A., and Fidelidade – Serviços de Assistência, S.A." that became part of the Job Family Model ("JFM").
3.3.4.	Clarification of the concept of salary promotion.
3.4.	Added reference that cumulative receipt of fixed and variable remuneration only covers employees eligible.
3.4.1.1.	Clarification that variable remuneration is determined according to the objectives associated with their respective functions and not by reference the performance of the operating units and areas that are under its control, regardless of the number of companies in which they work only cover key functions. Added reference to the time of payment of the performance.
3.4.1.2.	Added reference to the time of payment of the financial sustainability Bonus.
3.4.1.2.1.	The reference to "Mediation" has been replaced with "Distribution" due to a restructuring of the Commercial Area, which led to a change in the nomenclature of the areas themselves.
6.1.	Added the text "(...) among others of a diverse nature (...)", since in addition to the Pension Plan, there may be other Contractual Benefits mentioned in the Collective Labour Regulation Instruments ("IRCT").

Most relevant related references

Performance Bonus Regulation
 Financial Sustainability Bonus Regulations
 Employee Handbook

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1. GOALS OF THE POLICY

The goals of this policy are the following:

- Set out the rules and guidelines of the Remuneration Policy of the Employees of the Fidelidade Group in Portugal, hereinafter the “Policy”;
- Establish the set of principles and procedures aimed at defining the criteria, periodicity and those responsible for the performance assessment of the Employees of the Fidelidade Group’s Companies in Portugal, as well as the form, structure and conditions of payment of the remuneration to said Employees, including the one arising from the performance assessment process;
- Ensure the consistency with an effective risk management and control that prevents an excessive exposure to risk, potential conflicts of interests and that is coherent with the long-term goals, values and interests of the Group’s companies, namely with the prospects of sustainable growth and profitability and the protection of the interests of policyholders, insured persons and beneficiaries;
- Identify and communicate the processes of formal approval, disclosure and evaluation of the Policy, as well as to identify the interveners in these processes and their responsibilities;
- Identify the criteria considered in the creation of the overall remuneration package, in line with market trends, in particular with the peers of the Fidelidade Group in Portugal;
- Describe the composition of the overall remuneration package, consisting of a fixed component adjusted to the jobs and responsibilities of each Employee, and a variable component, dependent on the individual and organizational performance, in function of the achievement of specific goals in line with the Group’s strategy;
- Identify the criteria enabling to ensure the balance between the components of the overall remuneration package, namely the adequate proportion between the fixed remuneration and the variable remuneration;
- Identify the criteria of inclusion of the Employees into the internal remuneration structures of the Fidelidade Group in Portugal, namely the process of inclusion of the Employees into the internally defined pay bands;
- Identify the rules applicable to the salary progression and salary promotion processes;
- Comply with the legal and regulatory obligations arising from the Legal Regime on the Access and Exercise of the Insurance Activity, approved by Law no. 147/2015 of 9 September 2015, article 275 of Delegated Regulation 2015/35 of

10 October 2014, and Regulatory Standard no. 4/2022 of 26 April 2022, issued by the Insurance and Pension Fund Supervisory Authority (“ASF”), as well as other applicable legal or regulatory provisions.

2. DEFINITION, APPROVAL, REVISION, EVALUATION AND UPDATE OF THE POLICY

The definition and approval of this Policy is the responsibility of the Executive Committee of Fidelidade, on its own behalf and that of the Fidelidade Group’s Companies in Portugal, with the support of the Remunerations Committee, the DPE and other Departments of the Fidelidade Group whose inputs are considered necessary.

Upon the definition and preparation of this Policy, no services from External Consultants were used.

The Remunerations Committee has a 3-year mandate and is composed of its members at any given moment in office.

This Policy is revised annually, in order to verify its effective application and ensure its adequacy, in particular to the Group’s business needs, taking into account, among other aspects, the goals set out in the Fidelidade Group’s business plan in matters of sustainability related to environmental, social and governance risks, as well as the maintenance of external competitiveness and internal equity as far as remuneration is concerned.

The implementation and functioning of this Policy shall be the object of annual evaluations, seeking to verify the compliance therewith and the remuneration practices.

The revision and evaluation process is the responsibility of the Remunerations Committee with the support of the Fidelidade Group’s Departments whose inputs are considered necessary.

Any changes to this Policy require the approval of the Executive Committee of Fidelidade, on its own behalf and that of the Fidelidade Group’s Companies in Portugal, being later communicated to the Employees through the corporate intranet.

3. REMUNERATION POLICY OF THE FIDELIDADE GROUP’S EMPLOYEES IN PORTUGAL

3.1. SCOPE

This Policy applies to all the Employees with an open-ended employment contract in force with one of the Companies of the Fidelidade Group in Portugal, except concerning the remuneration that may be due to them as consideration for the exercise of top management roles in any of such companies.

A specific Remuneration Policy is applicable to the members of the management and supervisory bodies.

The companies considered as Fidelidade Group’s Companies in Portugal for the purpose of application of this Policy are the insurance and reinsurance undertakings which are

subsidiaries of Fidelidade – Companhia de Seguros, S.A., in Portugal, as well as non-insurance or reinsurance undertakings which are subsidiaries thereof in Portugal, except for the companies that are part of the Luz Saúde Group, and wish to apply this Policy to their Employees. As of this date, the Fidelidade Group’s subsidiaries to which this Policy applies are the following:

- Via Directa – Companhia de Seguros, S.A.;
- Fidelidade Assistência – Companhia de Seguros, S.A.;
- Multicare – Seguros de Saúde, S.A.;
- Fidelidade – Property Europe, S.A.;
- Fidelidade – Serviços de Assistência, S.A.;
- Fidelidade – Sociedade Gestora de Organismos de Investimento Coletivo, S.A.;
- CARES – Assistência e Reparações, S.A.;
- CETRA – Centro Técnico de Reparação Automóvel, S.A.;
- GEP – Gestão de Peritagens, S.A.;
- EAPS – Empresa de Análise, Prevenção e Segurança, S.A.;
- FID I&D, S.A.;
- Serfun Portugal, SGPS, S.A.
- Clínica Fisiátrica das Antas, Lda.

Within the scope of the Group, this Policy intends to ensure an overall consistency of the remuneration policies, guaranteeing that all the Fidelidade Group’s Companies comply with the legal requirements applicable to them and manage the relevant group-wide risks in relation to remuneration matters.

3.2. IDENTIFICATION OF RELEVANT JOB HOLDERS OF THE FIDELIDADE GROUP’S COMPANIES

For the purpose of this Policy, “Relevant Job Holders” of the Fidelidade Group’s Companies in Portugal are considered to be the following:

- Members of Top Management who, reporting directly to the management body, are responsible for the high-level decision-making process and for the enforcement of the defined strategies and the policies approved by the management body;
- Persons responsible for key functions or that hold key functions;

- Persons whose professional activities have a relevant impact on the companies' risk profiles, as they have regular access to inside information and take part in the decisions on the management and strategy of said information;
- Persons whose professional activities do not have, in themselves, a significant impact on the companies' risk profile, but on which the overall dimension of their activities may have such an impact.

The identification of these persons is made based on the following criteria:

- The responsibilities allocated to the Employee at Group level and at company level and their job function;
- The Group's risk profile and performance indicators;
- The nature, scope and complexity of the Organisation;
- Other criteria that, at any given moment, are considered relevant for the business.

The DPE prepares the proposal for the identification of Relevant Job Holders within the scope of the process of identification of Employees whose professional activities have a relevant impact on the Fidelidade Group's risk profile, being the responsibility of said department to perform the due internal registration and the communication thereof to the Employees in question.

3.3. FIXED REMUNERATION

The guidelines for the management of the fixed remuneration component as well as their interconnection with other people management internal instruments are described below, such as the applicable Collective Labour Regulation Instruments ("IRCTs") in force at any given moment and the job model applicable to certain Companies of the Fidelidade Group in Portugal.

3.3.1. JOB FAMILY MODEL

The Job Family Model ("JFM") is the Job Model applicable to the Companies of the Fidelidade Group in Portugal that have adopted it¹, having been created with an aim to promote the alignment with the Group's goals and to clarify the functional framework

¹ The Companies of the Fidelidade Group in Portugal that have adopted this Job Model are Fidelidade – Companhia de Seguros, S.A., Fidelidade – Property Europe, S.A., Via Directa – Companhia de Seguros, S.A., Multicare – Seguros de Saúde, S.A., CETRA – Centro Técnico de Reparação Automóvel, S.A., GEP – Gestão de Peritagens, S.A., EAPS – Empresa de Análise, Prevenção e Segurança, S.A., FID I&D, S.A. and Fidelidade Assistência – Companhia de Seguros, S.A., e Fidelidade – Serviços de Assistência, S.A.

for each job within the Organisation. Upon the creation of this model, the following guiding principles were considered:

- *Focus on the job and not on the person* – Definition of the job function and their positioning in the functional matrix, according to what the job function effectively represents and not based on the profiles of any potential holders.
- *Fairness* – Guarantee of equity in the positioning of the jobs functions in the different organizational groups, taking into account their levels of responsibility, autonomy and impact on the results.
- *Forward-looking approach* – Integration of new jobs functions and responsibilities in order to deal with strategic challenges.
- *Simplification* – Guarantee of a similar structure and functional aggregation and positioning rationales, allowing for an easy reading and update of the model.
- *Differentiated nomenclature* – Technical designation of the job function that respects to rules of nomenclature defined in the model, distinguishing itself from the brand (name by which the job function is externally known for).

The JFM constitutes the basic instrument for the management of people, being the pillar for the implementation of processes such as career models, attraction of talent, professional promotion and progression, among others. It is also related to the remuneration management in the Group, as the guidelines for the definition of the remuneration packages are interconnected to the jobs functions and organizational groups defined in the Group. The development and update of this model is the responsibility of the DPE's Talent and Development Department, upon validation by the Technical Committee of Functions created for the purpose.

3.3.2. DEVELOPMENT OF THE PAY BAND SYSTEM

In order to ensure a remuneration management system that guarantees the adequacy of the remuneration package to the specificities of each job, an internal pay band system has been created for the companies covered by the Job Family Model. This pay band system is based on the following key principles:

- *Remunerate according to the job* – The pay bands were created in order to ensure that the remuneration package is adequate to the specificities of each job, taking their functional content into consideration. The aim is to remunerate similar jobs according to the same criteria.
- *Ensure internal equity* – Ensuring an appropriate management of the remuneration packages in the Fidelidade Group in Portugal, that meets the criteria adopted across the Group, with equal treatment and framework.
- *Ensure external competitiveness* – Seeking to ensure that the remuneration packages are competitive in regard to the remuneration practices in the market.

On the basis of the JFM, all the jobs were analyzed by the Committee of Functions, and this exercise, performed in accordance with the reference methodologies in the market, resulted in the definition of the Group's functional matrix, where jobs were grouped in functional families and subfamilies in different organizational groups.

Based on this exercise, an internal pay band system was created, which enables to define remuneration ranges.

3.3.3. PAY BANDS OF THE FIDELIDADE GROUP IN PORTUGAL

The pay band system of the Fidelidade Group in Portugal is composed of pay bands, which correspond to a reference salary range (minimum, medium and maximum amounts).

Taking into account that the pay bands are aligned and comply with the minimum amounts defined in the applicable IRCTs in force at any given moment, any increases defined in said IRCTs shall have an impact on the pay bands of the corresponding Companies of the Fidelidade Group in Portugal. Likewise, in order to ensure the alignment and external competitiveness towards the market practices, the pay band system shall be periodically revised upon the analysis of reference market information (namely, reference salary surveys).

Apart from the aforementioned revisions, the pay bands may be revised whenever necessary and upon approval by the Executive Committee. The responsibility for this revision lies with the DPE's Talent and Development Department.

3.3.4. INTERNAL SALARY PROMOTION MECHANISMS

"Internal Salary Promotion", within the scope of this Policy, means any functional change that results in a change to the Organizational Group and/or the Salary Group to which the Employee is allocated, within the scope of the Group's functional matrix (which may or may not coincide with an IRCT promotion, if applicable).

The guiding principles for the analysis of situations arising from a internal salary promotion are the following:

- Ensure the adequate framework under the IRCT, through the allocation of the organizational group, professional category and salary group corresponding to the newly held job function (where appropriate);
- Ensure the adequate framework within the scope of the Group's functional matrix, through the allocation to the job function and organizational group corresponding to the newly held job function;
- Ensure the adequate framework within the scope of this Policy, guaranteeing an adequate positioning in respect of the internal pay band applicable to the newly held job function.

In order to ensure a homogenous and equitable process within the Organisation, all the promotion situations shall be analyzed and the aforementioned guiding principles shall apply.

3.3.5. SALARY PROGRESSION MECHANISMS

“Salary Progression” means the evolution within the same job function, with the consequent evolution of the respective Pay Band. This way, a Salary Progression does not imply that there is a functional change which results in a change to the Organizational Group and/or the Salary Group.

This salary progression is integrated into the periodic salary revision exercise which is a process carried out considering the existing guidelines and all the information on the employees’ performance and potential.

The Talent and Development Department together with the HR Business Coaching team of the DPE and their respective managers are responsible for the development and update of the Salary Promotion and Progression mechanisms.

3.4. VARIABLE REMUNERATION

As set out below, the overall remuneration package of the Companies of the Fidelidade Group in Portugal includes not only a fixed remuneration, but also a variable remuneration, whenever the conditions for the grant thereof are met.

Apart from a short-term component, the variable remuneration can have, under certain circumstances, a long-term component. For all employees eligible to receive both components, the sum of the short-term variable remuneration (“RVCP”) and of the long-term variable remuneration (“RVLP”) may represent 23% to 43% of the total gross remuneration.

3.4.1. SHORT-TERM VARIABLE REMUNERATION (“RVCP”) - SCOPE

Within the scope of the overall remuneration package, the Fidelidade Group’s Companies in Portugal consider a short-term variable remuneration component, mainly consisting of Profit Sharing, if the company delivers positive results, or of a Performance Bonus in other situations, as well as of a Financial Sustainability Bonus, which is applicable only to Employees that hold commercial job functions in Fidelidade.

The deliberation on the grant of the variable remuneration, as well as the amounts thereof are the responsibility of the Executive Committee, in function of the results achieved, the budgetary availability and the sustainability of the institution given its financial situation.

The criteria and rules to be followed in the application of the short-term variable remuneration are described in the respective Regulations which can be accessed

through the Group's intranet: Performance Bonus Regulation and Financial Sustainability Bonus Regulation, respectively.

3.4.1.1. PERFORMANCE BONUS

The awarding of the Performance Bonus is conditioned, without prejudice to what is mentioned in the subsequent paragraph, by individual and organizational performance (of the Structural Body and the Group's own Companies), in accordance with the achievement of specific objectives, as well as the overall results of the company or the Group, aligned with the Group's strategy and the Employee Handbook.

This remuneration component for Key Job Holders is determined, unlike what occurs for most employees, in accordance with the goals linked to their job functions and not by reference to the performance of the operational units and the areas that are under their control, regardless of the number of companies where they carry out their duties.

The variable remuneration shall be awarded only when it does not constitute a threat to the company's capacity to maintain an adequate own funds base, which may be revised downwards in case events occur that have an impact on the company's accounts.

As for the Relevant Job Holders, the variable remuneration may be revised downwards or not awarded at all in case of relevant deterioration of the company's performance or in case of non-compliance or risk of non-compliance with the company's solvency capital requirement.

The definition of the performance assessment is the responsibility of the DPE's Talent and Development Department, the definition of the assessment of the individual performance of each Employee being the responsibility of the Structural Body where they are integrated. The performance assessment process meets the goals defined on an annual basis, which consider predetermined and measurable, financial and non-financial performance criteria, that influence the weighting of the variable remuneration to be paid to the Employee. Those goals and assessment are registered and made available on the corresponding application and previously communicated to the Employees.

The mentioned bonus is paid in cash through the pay slip in the first quarter of the year following the one it relates to. The employee may choose, if they wish, to apply a part of the variable remuneration in the form of a monetary contribution to the annual flexible benefits program, which gives the employee the option to choose specific categories of benefits, such as increasing insurance coverage and obtaining new insurance policies.

3.4.1.1.1. SETTING OF PERFORMANCE BONUS TARGETS

The Performance Bonus targets are set through an analysis which considers the functional contents, according to the Group's functional matrix in the case of companies

covered by the Job Family Model, as well as the market practices of grant of variable remunerations for compatible jobs. This way, the aim is to ensure the adequacy of the variable remuneration system to the specificities of each organizational group, also ensuring its competitiveness towards the market practices and the balance between the several functions within the Organisation.

These targets are set in order to balance the weighting of the fixed and variable remunerations, in accordance with each organizational group, promoting sustainable forms of payment of the remuneration.

3.4.1.1.2. PERFORMANCE BONUS REGULATION

The Performance Bonus Regulation determines the rules of eligibility for variable remuneration, as well as all other rules regarding its grant, calculation and payment. The Regulations is published annually whenever the Executive Committee decides that in a certain year variable remunerations shall be awarded. The document may be consulted on the Group's intranet.

This way, the rules applicable to the Performance Bonus may be changed each year or at other intervals, if so decided by the Executive Committee.

The DPE's Talent and Development Department is responsible both for the setting of targets and the identification of the reference amount of the Performance Bonus to be granted to each Employee (for companies covered by the JFM and FYOUTURE²), as well as the alignment of the final proposals and the management and control of the amounts to be paid. The monitoring and guidance of the process within the areas is carried out by the HR Business Coaching team. Finally, the processing and payment of said amounts is the responsibility of the Employees' Support Department/People Services.

3.4.1.2. FINANCIAL SUSTAINABILITY BONUS

The Financial Sustainability Bonus is also a short-term variable remuneration which intends to promote and increase the alignment of the sales teams with the Group's commercial and business goals, as well as their motivation to achieve and exceed those goals.

As such, it is indexed to the individual goals and overall results reached in each Commercial Cycle, thus following the Commercial Cycles. These goals are proposed by the Marketing Directorate ("DMK") and set together with the Commercial General Directorate ("DGC") which afterwards shares them with the several commercial Directorates.

² FYOUTURE, the Integrated Talent Management Model of the Fidelidade Group, is an instrument designed to support and guide the performance and development of each employee, clarifying responsibilities and contributions to the company's results, therefore supporting the implementation of the desired strategy and culture. This model applies to all the Fidelidade Group's employees in Portugal who are covered by the JFM.

The achievements are verified by the Commercial Development Centre (“CDC”) through the platforms and files indicated for the purpose and based on the Employees’ performance throughout each Commercial Cycle. After the end of this process, the final results are disclosed and, after said disclosure, a period of time is granted to the Commercial Structure for any clarification requests or complaints. These situations are analyzed by the DMK and its Commercial Executives.

Finally, the information is transmitted and processed by the DPE’s Talent and Development Department, which publishes the final results, considering any absences and other corrections, on the platform provided for the purpose. The Financial Sustainability Bonus is paid in the first quarter of the year following the one to which it refers.

3.4.1.2.1. SETTING OF TARGETS APPLICABLE TO THE FINANCIAL SUSTAINABILITY BONUS

The targets “target value for payment calculation”, applicable to the Financial Sustainability Bonus, are set according to the job function performed by the Employee. The setting and update of these targets is the responsibility of the DPE’s Talent and Development Department with the support of the project team of which members of the DMK, the Distribution Directorates and the HR Business Coaching are part.

3.4.1.2.2. FINANCIAL SUSTAINABILITY BONUS REGULATIONS

The eligibility criteria and rules of application of the Financial Sustainability Bonus are described in its Regulation published on the intranet, every year, whenever the Executive Committee decides that in a certain year this bonus shall be awarded (therefore it is not binding). This deliberation is related to strategic business decisions and to the combination between the performance assessment of the institution and of the structural unit where the eligible Employees are integrated in order to promote the institution’s sustainability and the creation of value in the long term.

3.4.2. LONG-TERM VARIABLE REMUNERATION (“RVLP”) - SCOPE

Apart from the Short-Term Variable Remuneration to which we referred in point 3.4.1, the employees who hold functions as General Directors or Executives in any of the Fidelidade Group’s companies or that are appointed as executive directors of the boards of administration of any of the Fidelidade Group’s companies in Portugal (the “Fidelidade Group”), with the exception of Fidelidade – Companhia de Seguros, S.A., (“Fidelidade”) and the other insurance and reinsurance undertakings, may also have a Long-Term Variable Remuneration component (“RVLP”).

The RVLP is calculated at the beginning of each year in function of the achievement of the goals set for all the relevant indicators, by reference to 31 December of the previous year.

This component of the overall remuneration of the target population is the result of an initiative arising from a Talent Model that takes into account, on the one hand, the responsibility, impact and expertise associated with the performed function, and on the other the performance and potential of the respective employees, depending on the achievement of specific and quantifiable goals, of a financial and non-financial nature, based on long-term sustainability and on the effective management and control of the risks undertaken, and aligned with the interests of the Fidelidade Group, its shareholders as well as policyholders, insured persons and beneficiaries.

There are no other forms of Long-Term Variable Remuneration apart from the one described in this Policy.

3.4.2.1. GUIDELINES

The Long-Term Variable Remuneration Model is governed by the following guidelines:

- It encourages an effective risk management and control, maintaining an adequate own funds base, thereby avoiding an excessive exposure to risk and potential conflicts of interests and ensuring coherence with the long-term goals, values and interests of the Fidelidade Group, namely with the prospects of sustainable growth and profitability and the protection of the interests of policyholders, insured persons and beneficiaries;
- It is adequate to the dimension, nature, scope and complexity of the activity carried out, as well as to the risks undertaken;
- It is structured in a clear and transparent way in terms of its definition, implementation and monitoring;
- It ensures a competitive and equitable Long-Term Variable Remuneration, in line with the national and European trends;
- It is dependent on the individual and organizational performance, in function of the achievement of specific and quantifiable goals, of a financial and non-financial nature, based on the Group's long-term sustainability and on the effective management and control of the risks undertaken, and aligned with the interests of Fidelidade, its shareholders as well as policyholders, insured persons, participants and beneficiaries;
- It includes sustainability-related indicators, in line with the best practices, taking into account the strategic goal set in this matter;
- The RVLP takes into consideration the benefits for the organisation, and that is why, in exceptional cases, such as: i) if there is no adequate own funds base; ii) if its grant improperly limits company's capacity of increasing its own capital; iii) if it is found that its grant does not comply with the applicable legal and regulatory provisions or guidelines, it may not be granted;
- On the other hand, the RVLP is subject to reduction or reversal mechanisms whenever it is confirmed that an employee, in an intentional or grossly negligent

manner, has taken part in or has been responsible for actions that resulted in significant losses for the Group. The application of reversal mechanisms is supplementary to that of the reduction mechanism in such a way that, in case of occurrence of a significant event, the application of the reduction mechanism shall be given priority. Only after the reduction mechanism has been exhausted, considered insufficient or if it has been verified that the employee has contributed significantly to the Group's negative financial performance, or to the application of regulatory sanctions or also in case of fraud, malice or gross negligence that have given rise to significant losses, should the recourse to the reversal mechanism be considered.

3.4.2.2. RVLP GRANT, PAYMENT AND COMMUNICATION

The RVLP is granted through Performance Stock Units (PSUs). The initial number of Performance Stock Units to be awarded corresponds to the monetary value associated to this component, which may correspond to 33% to 60% of the total variable remuneration, divided by the value of the performance stock unit at Grant Date, which is calculated according to the formula mentioned in the Autonomous Document, having as reference date the end of the previous fiscal year, considering the defined indicators.

The number of Performance Stock Units, at Grant Date, is based on targets that shall be differentiated for each one of the target-populations (General Directors and Executives).

The grant of the RVLP shall be communicated to each eligible employee, through a Certificate issued by the Company, stating the following:

- The Grant Date;
- The total number of awarded PSUs;
- The Granting Date;
- The Vesting Date;
- The performance conditions that limit the exercise of the PSUs at the Vesting Date;
- Any other relevant terms and conditions.

The final number of PSUs to be awarded at the end of the Vesting Period (3 years) shall be calculated in function of the average Return on Equity ("ROE") through said three-year period. The initial number of PSUs shall be weighted using a performance multiplier which is defined on the basis of the Fidelidade Group's ROE in comparison with other reference companies (peers), under the terms defined in the Autonomous Document.

The PSUs shall be automatically converted and paid in cash 3 years after the grant date ("Vesting Period") and its concrete value shall then be calculated in year N+4, where N is the year to which the RVLP in question refers.

3.4.2.3. CHANGE OR TERMINATION OF OFFICE

In cases of termination of office, for motives not ascribable to the same, namely due to illness, death or disability, the maturity date regarding the amounts granted shall be brought forward to the date on which said termination occurs. The termination of the mandate (in case of executive directors of non-insurance companies of the Group) or of the employment contract in any other way or for any other reason, shall determine the cessation of the Long-Term Variable Remuneration Model, with the consequent cancellation of the variable remuneration components falling due, that is, that have not yet reached the Vesting Date.

3.4.2.4. OTHER RULES APPLICABLE TO THE LONG-TERM VARIABLE REMUNERATION

Taking into account the goals considered in the Model, the General Directors or Executives must not enter into contracts with the purpose of mitigating the risk inherent to the variability of their remuneration.

In addition, the Performance Stock Units (PSUs) corresponding to the long-term variable remuneration or any rights pertaining thereto cannot be sold, assigned, transferred, pledged or encumbered in any way.

3.5. INTEGRATION OF SUSTAINABILITY RISKS

The Fidelidade Group is heavily committed to developing its business in line with the best sustainability practices, having reflected this commitment in its investments and in the launch of new products with sustainability promotion elements.

People management is also guided by sustainability, which is integrated into the Employees' performance goals, and several goals may be adopted which contribute to the integration of sustainability risks. The adoption of those goals depends on each job and on the impact on some of the ESG - Environmental, Social and Governance indicators.

3.6. PROVISION OF INFORMATION

The processes and procedures for the provision of information are based on the IT tools used and previously communicated to the Employees, without prejudice to the provision of information occurring in person, when defined at each stage.

4. REMUNERATIONS TO SERVICE PROVIDERS

Agreements celebrated with service providers shall be integrated, where applicable in function of the outsourced entity, within the scope of the Outsourcing Policy and into the Fit & Proper Policy (where appropriate), and they cannot encourage excessive risk-taking given the Group's risk management strategy and the established risk tolerance threshold.

Notwithstanding the application of the principles of said Policies to the hiring of service providers, the amounts paid to them must be in line with the market practices and not out of line with the cost of the remunerations paid to Employees.

Whenever possible and applicable, the remunerations to service providers shall be linked to both quantitative and quality criteria.

5. SEVERANCE PAYMENTS

No compensations or severance payments are granted or due to Relevant Job Holders, except those provided in the law.

6. BENEFITS

The benefits that may be granted to Employees are divided into contractual benefits, defined in their employment contract and set according to the applicable IRCTs and Pension Plan, and non-contractual benefits, set by the Organisation's internal policies.

6.1. CONTRACTUAL BENEFITS

The provisions in the applicable IRCTs and in the employment contract shall apply to the contractual benefits.

Employees of the Group's insurance undertakings that have subscribed to the 2019 Collective Labour Agreement, who have effectively exercised duties in the company for at least 1 year and are in active service, as well as those whose employment contract is suspended due to illness or occupational injuries, shall benefit, among others of a diverse nature, from a Defined Contribution Pension Plan.

The capitalised value of the contributions:

- Is redeemable in case of old-age or disability retirement granted by Social Security where the Employee retires while at the company's service;
- May be transferred to another financing vehicle in case the Employee leaves the company before retirement and provided that the Employee has worked for the company for 3 years or more. In this case, the value to be transferred corresponds to 90% of the capitalised value;
- Reverts to the beneficiaries in case of death of the Employee.

The company shall make the due contributions to the Pension Plan, under the terms set out in the applicable IRCT and in compliance with the provisions in the respective Pension Plan Contract. These contributions shall be invested in a product with a capital guarantee.

6.2. NON-CONTRACTUAL BENEFITS

As far as non-contractual benefits are concerned, they will be applied in accordance with the Organisation's internal policies, the grant of this type of benefits being carried out by company's decision, which may be changed or revoked at any given moment, thus not constituting an acquired right of the Employees.

The rules applicable to the granting of non-contractual benefits shall follow the internal policies that define them, which are communicated across the entire Fidelidade Group in Portugal through the corporate intranet. The DPE's Talent and Development Department seeks to continuously revise this set of benefits by updating the policies that define them as well as by implementing new benefits that contribute to the Employees' well-being and the Group's competitiveness.

7. RELATIONS WITH KEY FUNCTIONS

The heads of the Structural Bodies and/or the respective Employees of each company covered by this Policy must inform the risk management, internal auditing, compliance and actuarial functions of any facts relevant to the exercise of their respective duties.

8. REMUNERATION POLICY EVALUATION

This Policy is subject to an independent internal evaluation, at least annually, carried out by the Remunerations Committee under the terms and for the purposes provided for in articles 90 and 118 of Regulatory Standard no. 4/2022 of 26 April 2022.

9. DISCLOSURE

This Policy is disclosed on the intranet to the Employees of the Fidelidade Group's Companies in Portugal and publicly on the websites of said companies, whenever it exists.

10. ENTRY INTO FORCE

This Policy shall enter into force as of the date of its approval, revoking any other previous policies or Employee Remuneration Policies versions having the same object.